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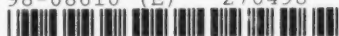
UNDP: COUNTRY COOPERATION FRAMEWORKS AND RELATED MATTERS

Assistance to Myanmar

Note by the Administrator

SUMMARY

The present report contains proposals for continued assistance to Myanmar, pursuant to Executive Board decision 98/4 of the first regular session 1998. In accordance with that decision, the proposals conform to Governing Council decision 93/21 and Executive Board decision 96/1. A recommendation for Executive Board action on future UNDP assistance to Myanmar may be found in chapter VI.



INTRODUCTION

1. In its decision 96/1, the Executive Board approved continued funding of activities in sectors previously outlined in Governing Council decision 93/21, and authorized the Administrator, on a project-by-project basis, to approve projects for a total amount not exceeding \$52.076 million during the period 1996-1997. The Board also requested the Administrator to submit, at its first regular sessions in 1997 and 1998, an assessment of the extent to which the assistance provided to Myanmar continued to meet the provisions of present Executive Board decisions, including Governing Council decision 93/21.

2. In accordance with these decisions, independent assessments of the projects developed within the framework of the Human Development Initiative (HDI) (1994-1996) and HDI-Extension (HDI-E) (1996-mid-1999) were undertaken in September 1996 and again from 24 August to 13 September 1997. These formed the basis for the Administrator's reports to the Executive Board at its first regular sessions in 1997 (DP/1997/4) and in 1998 (DP/1998/11). The assessments found that the projects comprising HDI and HDI-E were in conformity with the relevant Governing Council and Executive Board decisions, continued to meet their objectives, and offered key strategic lessons and experiences for the future. Taking into account the Administrator's report to the Executive Board at its first regular session 1998 (DP/1998/11), in its decision 98/4, the Executive Board decided to consider, at its annual session 1998, a proposal for future UNDP assistance to Myanmar, in conformity with Governing Council decision 93/21 and Executive Board decision 96/1.

1. PROGRESS UNDER HDI-E

3. The many assessments and evaluations carried out at HDI-wide and sectoral levels testify to the progress and achievements of HDI and HDI-E. Based on the foundation laid by HDI and HDI-E over the past four years, a wide range of activities have been implemented in 23 townships, 11 of which are in the Dry Zone, Shan State and the Delta region, and 12 of which are in Chin, Kachin and Rakhine States. Many of these townships are located in extremely remote areas and must confront a wide range of economic, social and environmental challenges arising from acute deprivation. The main achievements that can be attributed to HDI and HDI-E are summarized below.

4. An important contribution has been made in providing for the basic human and humanitarian needs of nearly 1.5 million targeted beneficiaries living in the 23 townships. Increasing refinement of implementation processes and structures have enabled the projects that constitute HDI-E to reach the poorest, most disadvantaged and vulnerable groups. Opportunities to generate income and develop self-reliant ways to ensure basic needs, especially in the area of food security, have been stimulated. By enabling people to obtain access to such basic services as water supply and sanitation, primary health care and education, complemented by opportunities for income generation and environmental improvements, an integrated approach to meeting basic human development needs in a relatively sustainable manner has been developed.

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5. Another important aspect of HDI and HDI-E and has been the multiple economic and social impulses generated, resulting in the building of community-based organizations at the village level. In the villages and village tracts where there are HDI-E projects, a functioning and even vibrant network of community-based organizations has been established, addressing a wide and complex range of tasks critical to the daily needs and demands of poor people. Local health, education (parent-teacher associations), and water supply and sanitation committees; farmers' and women's income-generating groups; and specialized groups such as for livestock and informal partnerships to receive micro-credit are common in most HDI-E villages, enriching their economic and social experience and encouraging and facilitating participatory patterns of development - important aspects of grass-roots governance and the development of economic opportunities. The establishment of partnerships between HDI/HDI-E projects, civil society organizations and international and national non-governmental organizations (NGOs) has made an important contribution to the building of village-level organizations.

6. Most projects have introduced key elements of technical and attitudinal changes in critical sectors. Improving living standards in villages and helping the poor to meet their basic needs require changing attitudes towards and making adjustments to traditional patterns of production and the provision of goods and services. Through its training arrangements, provision of credit, and other mechanisms for the transfer of appropriate technology, HDI-E has been able to bring about technical changes in agricultural and environmental practices and improvements in the organization of village-level health and education services. Technical and attitudinal changes (e.g., introducing new and better seeds, using compost effectively, agro-forestry practices, using wood stoves, pooling and sharing of scarce water resources) have been introduced largely through the adaptation and improvement of local practices. HDI projects constitute instruments for transfer of best practices within the region and the country. There is an increasing awareness that holistic, non-sectoral approaches are the optimal means to the solution of many seemingly intractable problems.

7. A striking feature of the HDI and HDI-E processes has been their success in mainstreaming gender issues. Women have been extensively involved and have participated actively in HDI and HDI-E processes, primarily through the widespread community-based organizations with well-articulated goals in HDI villages. Women are well represented in the executive committees of those organizations, especially in areas such as income generation, the provision of health and education services and organizing water supply and sanitation services. Training opportunities have also benefited a large number of women, enabling them to enhance their capacities for household management and engagement in productive economic activities.

8. The administrative and managerial structures that have evolved gradually over the four years of HDI and HDI-E can now be viewed as important transmission mechanisms for grass-roots development. There is a functioning system for the delivery and utilization of critical services to a significant number of villages in Myanmar, which constitutes a demonstration model for replication elsewhere. Local project staff are increasing their knowledge of integrated approaches to the solution of village-level problems and are inclined to address critical issues through holistic instead of sectoral approaches. An important

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process of improving grass-roots management and administration is under way through HDI-E; more remains to be done in adjusting and refining these systems.

II. FUTURE NEEDS ASSESSMENTS

9. Reviews and assessments undertaken of HDI and HDI-E have offered a range of insights into the critical needs of the people of Myanmar, particularly the people living in the targeted townships. In addition, extensive sectoral reviews and evaluations (e.g., on education, health, food security, water supply and sanitation, HIV/AIDS) have focused equally on past experience and future needs. The enriching experience of implementing grass-roots activities has generated a wealth of diverse information and insights on the micro needs of the poor in specific townships and villages. Generic strategies for the provision of basic needs can be replaced increasingly by more locale-specific approaches to the solutions of entrenched problems. Consultations with community bodies at the village level, which are now taking place on a continuing basis, interactions with the extensive cadre of national project personnel of HDI-E (community development workers, human development officers, township sectoral specialists, etc.) operating at township and village levels, and consultations with international NGOs and civil society and community-based organizations constitute an ongoing process of assessment of changing and future needs. Continuing consultations with United Nations agencies operating in Myanmar, some of which participate in the execution of HDI projects, also contribute to the process. There is now an organized system and methodology by which to obtain a continuing flow of information and insights into future needs, which allows for appropriate geographical disaggregation of the types of project interventions that are necessary. An ongoing process of data and information generation in the 23 HDI-E townships is an important channel for the assessment of future needs.

III. HUMAN DEVELOPMENT INITIATIVE: CONTINUING ACTIVITIES

A. Recommendations for future assistance: key considerations

10. Several key factors have determined the nature and content of the proposals to continue activities under HDI that are being submitted to the Executive Board for its consideration at the current session.

11. In accordance with Executive Board decision 98/4, all proposed projects are in conformity with Governing Council decision 93/21 and Executive Board decision 96/1. As such, these projects would continue to address humanitarian and basic human needs of the poor through a set of interrelated activities covering such critical issues as primary health care, the environment, HIV/AIDS, training and education, and food security.

12. Continued attention to the needs of the poor and specifically to building sustainable systems to meet basic needs in the areas of food security, health, water supply and sanitation, education and the environment explicitly calls for continuity in HDI projects, which, in view of resource limitations, have thus far been able to concentrate only on selected and limited activities, even in

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the 23 focus townships. Based on experience, it is now feasible to intensify and expand HDI engagement in these townships. This approach offers the best option for the productive use of scarce resources, and inevitably calls for the continuation of the project activities that now constitute HDI-E into the next phase.

13. It is proposed that the spatial expansion of project activities be undertaken in two directions. Currently, approximately one fourth of the total number of villages in the 23 townships where HDI-E operates participate in and benefit from HDI-E projects. Within the 23 townships, additional villages and village tracts inhabited by poor and disadvantaged people would be included in the next phase. Several new townships in remote border areas would also be identified for future HDI activities, contingent upon the availability of resources. Criteria for the identification of the additional townships would include pervasive poverty and environmental vulnerability and the existence of particularly disadvantaged groups.

14. Administrative and managerial continuity is essential to consolidate and advance the gains made thus far through HDI and HDI-E over the last four years, while also ensuring the sustainability of the results and outcomes of HDI projects. Any major disruption of the flexible administrative and managerial structure that has evolved for HDI and HDI-E would create a degree of uncertainty that should be avoided, in order to maintain the efficiency and effectiveness of projects and project activities, subject to necessary adjustments to conform to changing circumstances.

B. Project extension proposals

15. The proposals that follow are for the extension of current HDI-E projects rather than for a set of successor activities. Building local capacities and empowering the poor require a sustained effort over a longer period of time than the period that has so far elapsed under HDI and HDI-E. The accumulation of experience has facilitated close connections between projects as well as the development of mechanisms and structures for collaboration and integration, especially at the village level, largely through intermediation of community-based organizations. The consolidation of these emerging relationships and the more intensive involvement of community-based organizations, which contribute to integrated and holistic approaches, also call for operational continuity.

16. During their extended phase, all current projects would continue to address several common themes and issues critical to enhancing impact at the grass-roots level and improving the living conditions of poor and disadvantaged people. Methodologies would be continuously refined to reach out to the most disadvantaged people, who would be the primary beneficiaries of HDI-E activities. Special emphasis would be placed on further mainstreaming of gender issues in all projects, building on the extensive involvement of women that is a prominent feature of HDI-E activities. Participatory approaches to development would be further stimulated through collaboration with community-based organizations, which have played an important role in HDI-E. This would involve local people assessing their own basic and humanitarian needs and defining appropriate interventions. The emphasis on convergence and coordination of

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HDI-E project activities would be primarily at the village and village tract levels, where such processes are already taking place.

Human development and humanitarian needs

17. As called for in Governing Council decision 93/21, the cluster of primary health care, water supply and sanitation, HIV/AIDS and education projects would continue to aim at addressing the provision of key humanitarian and basic human development needs of poor people in Myanmar. Empowering the poor and building capacities at the community and grass-roots levels are directly associated with the opportunities that are created through the supply of material and equipment through these projects. Training would be provided to facilitate the transfer of knowledge and build capacities to ensure the sustainability of all projects.

18. The primary health care project has now matured into an umbrella-type activity, incorporating the strengthening of capacities at the community level as well as the provision of medical supplies and equipment to grass-roots institutions. The primary aim is to develop sustainable health-care systems within the project township areas. Emphasis has been placed on developing methodologies and approaches for the qualitative strengthening of health-care systems in the townships, with the extensive involvement of women and community-based organizations. While developing and consolidating these approaches, more attention would be given to promotive, preventive and rehabilitative measures, particularly in the area of reproductive health and other health concerns affecting mothers and children. Social marketing of iodized salt, bednets, contraceptives and oral rehydration salts would be promoted. Continuing attention to priority health problems such as malaria, tuberculosis and leprosy would be required, although the nature of interventions might change on the basis of experience gained and developing technologies. Cooperation with the United Nations Children's Fund (UNICEF) in the area of iodine deficiency disorders, which has a significant impact on the welfare of women and children, would continue. Project activities would also be carried out in close collaboration with other agencies, such as the United Nations Population Fund, the World Health Organization (WHO), the United Nations Centre for Human Settlements and the Joint United Nations Programme on HIV/AIDS, as well as other donors and NGOs active in these areas.

19. The water supply and sanitation project has enabled a large number of villages to obtain access to water supplies and has introduced effective techniques for water collection, distribution and management. These activities would be continued in new villages and capacities for village-level management systems would be enhanced. The project would also aim at improving sanitation, through the supply of latrines, and greater attention would be paid to issues such as garbage disposal and the improvement of hygienic conditions in homes, enterprises and villages. Support to community initiatives would be extended through the project's Community Initiatives Support Facility, which promotes the development of partnerships with villagers for undertaking minor improvements to the village infrastructure that are essential to the efficient delivery of humanitarian services to meet basic needs as well as disaster prevention and mitigation activities. To ensure sustainability, efforts would be directed towards stimulating the establishment of small-scale enterprises for the manufacture of components of water supply systems, rainwater harvesting

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equipment and sanitation technology. Opportunities for training in the maintenance of these systems would also be offered. There would be greater involvement of NGOs in all project activities.

20. The HIV/AIDS project would continue to operate at the national level, while complementing community-based prevention activities, which would remain a major area of focus. It would aim at assisting the development of national policies for HIV/AIDS, and would be the main implementing arm of the United Nations system-wide HIV/AIDS thematic working group established in Myanmar. Project activities would include policy development, advocacy, training courses, and activities to raise awareness about methods of transmission of the disease to promote behavioural changes among groups at risk. The project would continue to focus on the most vulnerable geographic areas, such as border towns and towns with large migrant populations.

21. The primary education project would continue to focus on promoting access to education facilities; improving the quality of education, including the development of relevant curriculum materials; enabling parent-teacher associations to mobilize resources; and enhancing and improving management skills. Current activities such as the renovation of school buildings, the supply of textbooks and pencils, the training of primary school teachers and work with parent-teachers associations would also continue. Support would be provided for community-level continuing education and skills-training programmes, including adult literacy classes, as well as stimulating capacities for information-sharing. More attention would be paid to non-formal education, in order to complement the current emphasis on the formal education system. It has been observed that, as a result of HDI and HDI-E activities, school attendance has increased; this encouraging trend would be stimulated by establishing linkages with other HDI-E activities, such as those in the area of health and income generation.

Environment and food security

22. Three area-based projects that address food security and environmental, watershed and natural resource management issues through integrated approaches are being implemented in the Dry Zone, southern Shan State and the Ayeyarwaddy Delta. These projects also have an important income-generating component, through the supply of in-kind credit to agriculture-based economic activities targeted at poor farmers operating within vicious cycles of poverty and deprivation. Income-generating activities are being implemented through an intensive participatory process organized through Farmers Income-Generating Groups and Women's Income Generating Groups. An integrated and comprehensive strategy has evolved gradually to address a varied set of complex circumstances in agriculture, livestock and forestry, arising from the fragility of natural resource bases. The focus of all of the area-based projects would be on the adoption of measures to halt environmental degradation and conserve natural resources and ecosystems, since the deterioration of the environment is an important cause of poverty. To ensure sustainability and to obtain optimal impact, it is necessary that the implementation of current activities continue and be expanded to include new village and watershed areas.

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23. The project in the Dry Zone currently addresses poverty issues in a concerted manner, by improving natural resource management practices in the numerous watershed and sub-watersheds that dominate the arid landscape. Low-cost devices for water management and soil conservation measures, together with a package of incentives that encourages labour mobilization, partly on a voluntary basis and partly as employment opportunities for landless labourers, are being implemented. Income generation opportunities for small-scale farmers and the landless have been encouraged by introducing livestock and upgrading existing farming systems. These measures are being complemented by small-scale community forestry operations and the introduction of technologies such as fuel-saving wood stoves. In the future, these activities would continue, and new initiatives would be developed to ensure food security, income generation and environmental sustainability. In-kind credit would also be provided, in close collaboration with the micro-credit project.

24. The project in Shan State has been concerned primarily with improving management practices in upland areas and critical watersheds. Inle Lake, well-known for its beautiful landscape, is emerging as a tourist attraction and has been singled out for special attention. A varied set of community forestry activities has been undertaken, especially in the context of the transfer of tenure rights of forest use to community organizations. Income-generating opportunities, both agriculture-based and revolving around small cottage enterprises, have also been stimulated. These activities would continue to be built upon and extended to include the promotion of off-farm employment, low-cost methodologies for resource management and productivity growth and the improvement of farm and energy systems.

25. The project in the Ayeyarwaddy Delta aims at developing appropriate income-earning opportunities for the poor and rehabilitating and protecting the extensive mangrove swamps and habitations that are a common feature of the region, and which constitute endangered ecosystems and have a vital bearing on preserving its biodiversity. A range of activities in agriculture, forestry, fisheries, livestock and cottage industries has been undertaken through integrated methodologies, offering sustainable income-generating opportunities and ensuring environmental conservation and food security. Through the dissemination of technology and model management practices, the project aims at reaching a large number of poor farmers and reversing a worsening environmental crisis in the region. These activities would continue, with renewed emphasis on food security and the further development of income-generating activities. Income generation arrangements would be closely linked to micro-credit project operations.

Intersectoral projects

26. Three projects of an intersectoral nature - community development in remote townships (CDRT), a micro-credit project, and support to HDI-E (HDI-E) - were initiated under HDI-E. These projects have been under implementation only for a relatively short period of time, although the CDRT project was preceded, during the first HDI phase, by two "quick impact" projects. Similarly, the HDI-E project, which is now of a more substantive nature, was also preceded by a project that focused only on logistics and administrative support during the earlier phase of HDI. The CDRT and micro-credit projects would be continued,

with appropriate adjustments, since they are concerned with issues critical to the alleviation of poverty. The activities of the third project, HDIS, would also be continued, although current execution and management arrangements may require revision and considerable adjustment.

27. In the CDRT project, an integrated approach is applied to address the complex range of socio-economic problems that confront the people in selected areas of 12 townships in Kachin, Chin and Rakhine States. It is worth noting that it is through this project that activities have been initiated in northern Rakhine State (see chapter IV below). The project includes interventions in agriculture and environment, water supply and sanitation, disaster prevention and preparedness, health and education, and food security and credit facilities, as well as opportunities for various forms of income generation. It is a composite approach to the provision of basic needs in remote and distant areas of Myanmar, where poverty is deeply entrenched. An intensive effort would be made to build capacities at the grass-roots level through participatory approaches. There is currently a significant component of the provision of supplies to vulnerable and high-risk groups in these acutely deprived areas. A few townships, selected based on criteria described in paragraph 13 above, would likely be added to this project in the extended phase, subject to the availability of resources.

28. The micro-credit project aims at reaching out to about 30,000 households in its first phase, through the provision of small-scale credit. The project is being implemented by three international NGOs - the Grameen Trust, Bangladesh; Groupe de recherche et d'échanges technologiques, France; and Private Agencies Collaborating Together, the United States of America - which have been entrusted with the responsibility of credit and training operations in the Ayeyarwaddy Delta, Shan State, and the Dry Zone, respectively. Ensuring sustainable credit operations requires continuity, and the project, which has only been implemented for a brief period of time, would be expanded to include new beneficiaries, and also to build a comprehensive development package, including training in aspects of marketing and business development, and advisory services. There is a large demand for small-scale credit and the project could play an important role in contributing to poverty alleviation at the grass-roots level.

29. Finally, HDIS provides critical support to ensure the efficient functioning and smooth orchestration of the HDI-E project system. Training activities common to HDI and HDI-E projects; operational research on key HDI-E issues (particularly useful for future programme formulation processes); information education and communication; monitoring and evaluation; and the organization and administration of the HDI-E management structure at the local and field levels fall under the HDIS project. These activities would be continued. However, it is not clear whether all of the activities should be pursued through a single, umbrella-type project. Many of the project's functions are also complementary to, and interface with, the responsibilities of the UNDP office in Yangon. Thus, it would be necessary to reconceptualize the approach to HDIS activities and reconsider the design of the project, on the basis of an assessment of the current phase of its activities.

IV. NEW INITIATIVE IN NORTHERN RAKHINE STATE

30. In parallel with a gradual phasing out by the Office of the United Nations High Commission for Refugees (UNHCR) in 1999, UNDP is expected to take a lead role in a United Nations system-wide programme for residents of northern Rakhine State. These include approximately 230,000 residents of Myanmar who fled to Bangladesh in 1991-1992 and who have been voluntarily repatriated under the auspices of UNHCR, reducing the camp population in Bangladesh to approximately 20,000. UNHCR has been carrying out this programme of assistance in collaboration with the World Food Programme (WFP) and NGO partners.

31. In 1997, under HDI-E, UNDP initiated the community development for remote townships (CDRT) project in the northern Rakhine State townships of Buthidaung and Maungdaw, with activities in primary health care, HIV/AIDS, education and training, food security and the environment. UNICEF, WHO and the Food and Agriculture Organization of the United Nations (FAO) have also been carrying out activities in this area.

32. Given the extreme poverty and vulnerability of people in this remote region of the country and the virtual completion of the repatriation exercise, United Nations development agencies in Myanmar are now planning to deepen their involvement and expand their collaboration in the area. The broad objective is to reintegrate the returnees and improve the social, economic and environmental conditions of the population residing in the three townships of northern Rakhine State (Buthidaung, Maungdaw and Rathedaung), through a comprehensive and integrated programme aimed at improving the overall socio-economic situation to be undertaken by UNDP and other United Nations development agencies. UNHCR has been requested to continue its protection and monitoring role in the area.

33. An in-country United Nations thematic working group has already prepared a set of background documents, including a situation analysis, strategy papers on social and economic development issues, and detailed terms of reference for a programming exercise. The precise role of UNDP and other United Nations partners will be defined during this exercise. It is expected that the United Nations system-wide programme will focus on strengthening communities' capacities to improve their living conditions. Within this community development framework, special attention will be placed on fostering income-generating activities, enhancing food security, upgrading basic rural infrastructure, and improving primary education and basic health services.

34. In terms of funding, non-core resources will need to be mobilized from the international community to supplement the seed money that will be provided by the participating agencies. The UNDP contribution will come from the overall resources available to HDI and from target for resource assignment from the core (TRAC) line 1.1.3. Non-core funds will also be sought and administered under an appropriate mechanism.

V. ALLOCATION OF RESOURCES

35. The next phase of HDI-E is expected to last two and one half years, from mid-1999 until end-2001. The total amount of UNDP resources required for this

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period is estimated at \$50 million. For the current resource planning period (1997-2000), \$36.9 million is available from TRAC lines 1.1.1 and 1.1.2; the additional \$13.1 million will be sought from TRAC resources for the next resource planning period, as and when they become available.

VI. EXECUTIVE BOARD ACTION

36. The Executive Board may wish to:

1. Note that continued funding of project activities in the sectors previously outlined in Governing Council decision 93/21, and confirmed by Executive Board decision 96/1, is estimated at \$50 million for the period mid-1999 to end-2001;
2. Authorize the Administrator, on a project-by-project basis, to approve HDI-E project extensions up to \$36.9 million from target for resource assignment from the core (TRAC) resources for the current resource planning period, and up to \$13.1 million from the TRAC resources for the next resource planning period, as they become available;
3. Authorize the Administrator to mobilize, in consultation with the other United Nations funds and programmes concerned, non-core resources for a United Nations system-wide programme of assistance to northern Rakhine State, through appropriate mechanisms and modalities.
